

Message Text

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SUBJECT: PROPOSED INTERNATIONAL SECURITY ASSISTANCE ACT OF
1977

REF: STATE 107335

1. FOLLOWING ARE EXTRACTS RELATED TO TURKEY FROM THE REPORT
OF THE HOUSE COMMITTEE ON INTERNATIONAL RELATIONS ON THE
BILL TO AUTHORIZE FY-1978 SECURITY ASSISTANCE PROGRAMS. AS
NOTED REFTEL, HOUSE SCHEDULED TAKE UP BILL MAY 18.

2. SECTION 16 -- ASSISTANCE AND SALES TO GREECE AND TURKEY.
SUBSECTION (A) -- AUTHORIZATION OF FUNDS TO CARRY OUT BASE
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AGREEMENTS.

SUBSECTION (A) OF SECTION 16 AUTHORIZES TO BE APPROPRIATED
SUCH SUMS AS MAY BE NECESSARY FOR FISCAL YEAR 1978 TO CARRY
OUT INTERNATIONAL AGREEMENTS RELATING TO DEFENSE COOPERA-
TION WITH GREECE AND TURKEY. SUCH AUTHORIZATION IS IN
ADDITION TO AMOUNTS AUTHORIZED TO BE APPROPRIATED BY THIS
BILL WHICH MAY BE AVAILABLE FOR SUCH PURPOSES. IT IS THE
INTENT OF THE COMMITTEE THAT THIS SECTION SHALL CONSTITUTE
A 1-YEAR AUTHORIZATION FOR THE APPROPRIATION OF FUNDS TO
IMPLEMENT PENDING AGREEMENTS FOR THE USE OF U.S. ARMED

FORCES OF MILITARY FACILITIES IN GREECE AND TURKEY, WITH

THE USE OF ANY AMOUNTS APPROPRIATED UNDER THE AUTHORITY OF THAT AUTHORIZATION CONDITIONED ON THE ENACTMENT OF LEGISLATION APPROVING THE BASES AGREEMENT AS PROVIDED IN SECTION 16(B).

SUCH AUTHORIZATION SHALL NOT PRECLUDE A REDUCTION OF THE LEVEL OF SUCH FUNDS IN SUBSEQUENT LEGISLATION APPROVING SUCH INTERNATIONAL AGREEMENTS OR ARRANGEMENTS. THUS THE CONGRESS WILL MAINTAIN ITS FLEXIBILITY WITH REGARD TO PENDING BASE AGREEMENTS WITH GREECE AND TURKEY, WHILE MEETING THE REQUIREMENTS OF SECTION 402(A) OF THE CONGRESSIONAL BUDGET ACT OF 1974 THAT THESE AUTHORIZATIONS FOR FISCAL YEAR 1978 BE REPORTED BEFORE MAY 15.

IT IS THE VIEW OF THE COMMITTEE THAT THE UNITED STATES AND GREECE SHOULD RESUME AND SEEK TO COMPLETE NEGOTIATIONS ON SUCH A DEFENSE COOPERATION AGREEMENT. SUCH AN AGREEMENT WOULD SERVE TO CLARIFY AND DEFINE EXISTING AND FUTURE MILITARY COMMITMENTS AND SECURITY RELATIONSHIPS BETWEEN THE TWO NATIONS. FURTHERMORE, IN CONCLUDING SUCH AN AGREEMENT, THE UNITED STATES SHOULD ATTEMPT TO SECURE FULLER GREEK PARTICIPATION IN THE INTEGRATED MILITARY COMMAND OF NATO.

SUBSECTION (B) -- CONDITION PRECEDENT ON OBLIGATION AND EXPENDITURE
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PENDITURE OF BASE AGREEMENT FUNDS

SUBSECTION (B) OF SECTION 16 STIPULATES THAT FUNDS APPROPRIATED UNDER SUCH SECTION MAY NOT BE OBLIGATED OR EXPENDED UNTIL LEGISLATION HAS BEEN ENACTED APPROVING THE INTERNATIONAL AGREEMENTS OR OTHER ARRANGEMENTS ALLUDED TO IN SUBSECTION (A).

SUBSECTION (C) -- APPLICABILITY OF SECTION 620(X) PROHIBITION

SUBSECTION (C) MAKES CLEAR THAT THE AUTHORIZATION OF 48

MILLION DOLLARS OF GRANT MILITARY ASSISTANCE FUNDS FOR TURKEY UNDER CHAPTER 2 AND TWO MILLION DOLLARS OF MILITARY EDUCATION AND TRAINING FUNDS UNDER CHAPTER 5 OF PART II OF THE FOREIGN ASSISTANCE ACT OF 1961 IS MADE SUBJECT TO THE RESTRICTIONS OF SECTION 620(X) OF THE FOREIGN ASSISTANCE ACT UNDER WHICH ALL FORMS OF MILITARY ASSISTANCE AND SALES TO TURKEY ARE SUSPENDED UNTIL THE PRESIDENT CERTIFIES TO THE CONGRESS THAT TURKEY IS IN COMPLIANCE WITH U.S. LAWS AND APPLICABLE BILATERAL AGREEMENTS REGARDING THE USE OF U.S.-ORIGIN DEFENSE ARTICLES AND THAT SUBSTANTIAL PROGRESS HAS BEEN MADE REGARDING AN AGREEMENT ON MILITARY FORCES ON

CYPRUS.

SUBSECTION (D) -- ASSISTANCE TO TURKEY

SUBSECTION (D) MODIFIES, FOR FISCAL YEAR 1978, THE EXISTING RESTRICTIONS OF SECTION 620(X) OF THE FOREIGN ASSISTANCE ACT, ON ASSISTANCE TO TURKEY TO PERMIT TURKEY TO HAVE ACCESS TO 175 MILLION DOLLARS IN FOREIGN MILITARY SALES AND TO ALLOW THE FINANCING OF THAT AMOUNT OF SALES BY FMS LOAN GUARANTIES FOR PROCUREMENT OF DEFENSE ARTICLES AND SERVICES FROM THE UNITED STATES.

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THIS ACTION IS TAKEN IN THE BELIEF THAT THE UNITED STATES AND TURKEY BOTH HAVE AN IMPORTANT INTEREST IN MAINTAINING CLOSE POLITICAL AND MILITARY RELATIONSHIPS.

IN ADDITION TO SUPPORTING THE AUTHORIZATION OF 175 MILLION DOLLARS IN FMS SALES AND LOAN GUARANTIES, THE COMMITTEE ALSO RECOMMENDS: (1) THAT TURKEY BE ALLOWED TO COMPLETE THE PURCHASE OF THE F-4 AIRCRAFT BY THE BEST POSSIBLE AND MUTUALLY ACCEPTABLE MEANS, AND (2) THAT A DEFENSE COOPERATION AGREEMENT WITH TURKEY BE SUPPORTED IN PRINCIPLE.

IT IS THE HOPE OF THE COMMITTEE THAT ALL FACTIONS OF THIS PARTICULAR ISSUE IN THE UNITED STATES, IN CONGRESS AND IN THE EXECUTIVE BRANCH WILL TRY OVER THE NEXT FEW MONTHS TO FOCUS ATTENTION ON FUTURE NEEDS AND ON EFFORTS TO RESOLVE THE CYPRUS SETTLEMENT IMPASSE.

3. FOLLOWING SENTENCE APPEARS IN STATEMENT OF SUPPLEMENTAL VIEWS OF DERWINSKI, BURKE, WINN, GUYER, LAGOMARSINO, GOODLING AND PETTIS:

QUOTE: ALSO, THE NEW ADMINISTRATION APPEARS TO BE POLITICALLY AMBIVALENT ON THE QUESTION OF SUCH ARMS TRANSFERS AS F-4'S TO TURKEY. UNQUOTE

4. FOLLOWING ARE EXTRACTS FROM STATEMENT OF SUPPLEMENTAL VIEWS OF FINDLEY:

QUOTE: THE UNITED STATES HAS YET TO EXERT ITS LEADERSHIP IN PROMOTING A RESOLUTION OF THE DIFFERENCES BETWEEN GREECE AND TURKEY REGARDING CYPRUS AND THE AEGEAN SEA. WE ARE STILL A LONG WAY FROM BUILDING THE TRUST AMONG THESE NATIONS NECESSARY TO ENCOURAGE THEM TO REACH ANY SETTLEMENT OF THEIR CONFLICTS. AN UNFORTUNATE EXAMPLE OF A RECENT HESITATION TO TAKE A POSITIVE STEP TOWARD RESTORING UNCLASSIFIED

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SOUND RELATIONS IN THE MEDITERRANEAN IS THE ADMINISTRATION'S

REVISION OF THE FISCAL YEAR 1978 REQUEST FOR TURKEY AND CONGRESSIONAL ACQUIESCENCE TO THAT ALTERATION.

THE ORIGINAL FISCAL YEAR 1978 REQUEST FOR TURKEY WAS FOR THE AUTHORIZATION OF A 175 MILLION DOLLAR CEILING IN FOREIGN MILITARY SALES WITH AN AUTHORIZATION OF UP TO THAT AMOUNT IN FMS FINANCING. A SECOND COMPONENT OF THE REQUEST WAS FOR AN FMS CASH "WINDOW" TO PERMIT TURKEY TO COMPLETE ITS PURCHASE OF F-4 AIRCRAFT THROUGH GOVERNMENT-TO-GOVERNMENT CHANNELS. TURKEY, WHICH BEGAN THE PROCESS OF ACQUIRING 40 F-4 AIRCRAFT AT A COST OF 478 MILLION DOLLARS ON AN FMS BASIS IN AUGUST 1976, HAS SIGNED TWO CONTRACTS FOR A TOTAL PAYMENT OF 135 MILLION DOLLARS FOR LONG LEADTIME ITEMS RELATING TO THIS PROCUREMENT. THE FINAL CONTRACT IS DUE LATE IN 1977 AND TURKEY, RESTRICTED BY THE FMS CEILING, WILL BE UNABLE TO SIGN. UNFORTUNATELY, THE ADMINISTRATION BACKED AWAY FROM ITS REQUEST FOR AUTHORIZATION OF THE CASH WINDOW, SUGGESTING INSTEAD THAT TURKEY MIGHT FIND OTHER MEANS, NAMELY, THE COMMERCIAL ROUTE, TO PURCHASE THE F-4 AIRCRAFT. COMMERCIAL SALES ARE NOT RESTRICTED BY THE CEILING.

COMMERCIAL, RATHER THAN FMS, CHANNELS FOR OBTAINING THE F-4 -- SINCE THE TURKS' ACTUAL PROCUREMENT OF THE F-4 HAS NOT BEEN CONTESTED -- PRESENT MANY HAZARDS FOR TURKEY: (1) THE TURKISH GOVERNMENT, UNLIKE OTHER U.S. ARMS CUSTOMERS, DOES NOT HAVE A COMMERCIAL PURCHASING OFFICE IN THE UNITED STATES. COMMERCIAL BUYING PRACTICES ARE UNFAMILIAR TO THE TURKS AND, THEREFORE, APPEAR DIFFICULT AND FRAUGHT WITH PITFALLS. (2) COMMERCIAL ARMS TRANSFERS TO TURKEY, WHEN ATTEMPTED ONCE IN THE PAST, HAVE BROUGHT EMBARRASSMENT TO THAT COUNTRY JUST AS THEY HAVE TO JAPAN AND TO THE NETHERLANDS. TO REDIRECT THESE AIRCRAFT THROUGH COMMERCIAL CHANNELS COULD REOPEN OLD WOUNDS AND STIR NEW DEBATES. IT UNCLASSIFIED

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COULD ALSO PROVE AWKWARD FOR A GOVERNMENT THAT FACES ELECTIONS IN EARLY JUNE. (3) PROCUREMENT OF THE F-4 ON AN FMS BASIS WOULD BE LESS EXPENSIVE TO TURKEY THAN WOULD COMMERCIAL PROCUREMENT. THE U.S. GOVERNMENT BUYS ARMS IN LARGER LOTS THAN DO INDIVIDUAL FOREIGN CUSTOMERS AND CAN, THUS, RESELL THEM AT A LOWER PER UNIT COST TO ARMS RECIPIENTS. (4) AN ELEMENT OF TRUST IS INVOLVED. TURKEY HAS ALREADY CONTRACTED FOR 135 MILLION DOLLARS IN LONG LEADTIME ITEMS FOR THESE AIRCRAFT WITH THE UNDERSTANDING THAT THE ENTIRE TRANSACTION WOULD BE ON AN FMS BASIS. DISCUSSIONS AND DECISIONS REGARDING THIS SALE HAD ANTICIPATED A QUICKER RATIFICATION OF THE DEFENSE COOPERATION AGREEMENT BETWEEN THE UNITED STATES AND TURKEY THAN, UNFORTUNATELY,

HAS OCCURRED. BUT TO SWITCH, IN MID-STREAM, THIS TRANSFER FROM A GOVERNMENT-TO-GOVERNMENT SALE TO A COMMERCIAL SALE

WOULD BE DISRUPTIVE AND WOULD RUN COUNTER TO ORIGINAL UNDERSTANDINGS.

THESE DIFFICULTIES MAY PROVE INSURMOUNTABLE TO TURKEY IN ITS EFFORT TO OBTAIN THE F-4 AS PART OF A NATO MODERNIZATION PROGRAM. YET, TURKEY IS AN ALLY WITHIN NATO. ITS ARMED FORCES, INCLUDING ITS AIR FORCE TO WHICH THESE F-4'S WOULD BE COMMITTED, REMAIN A PART OF NATO'S INTEGRATED MILITARY COMMAND. TURKEY'S STRATEGIC POSITION AND ITS FRIENDSHIP ARE CRUCIAL TO A STRONG AND COHESIVE WESTERN DEFENSE. AND ITS TRUST IN THE UNITED STATES WILL BE VITAL TO U.S. EFFORTS TO PROVIDE IMPETUS FOR NEGOTIATIONS NOT ONLY ON CYPRUS BUT ALSO ON THE MULTI-FACETED TURKISH-GREEK DISPUTES IN THE AEGEAN SEA.

NOT ONLY DOES THIS AUTHORIZATION OF TURKEY FAIL TO PERMIT IT TO OBTAIN THE F-4 ON AN FMS BASIS, IT ALSO CONTINUES THE EMBARGO FOR STILL ANOTHER YEAR. THIS EMBARGO HAS NOT FACILITATED COOPERATION IN SEEKING A SETTLEMENT ON CYPRUS; IT HAS IMPEDED IT. BY CARRYING THIS UNFORTUNATE AND INEF-

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FECTIVE IMPLEMENT OF FOREIGN POLICY OVER INTO FISCAL YEAR 1978, WE ARE TRAGICALLY DENYING OUR MORAL COMMITMENT TO THE MEDITERRANEAN AND REFUSING TO RECOGNIZE OUR VERY IMPORTANT INTERCONNECTIONS WITH THAT REGION. UNQUOTE

5. FOLLOWING IS FULL TEXT OF ADDITIONAL VIEWS OF LAGOMAR-SINO AND PETTIS:

BEGIN TEXT: WE BELIEVE THAT THE U.S. SALE OF F-4 FIGHTER-BOMBERS TO TURKEY IS A KEY INGREDIENT IN THE OVERALL PROTECTION OF NATO'S SOUTHERN FLANK. IT IS IMPORTANT THAT WE HAVE FLANK-TO-FLANK SOLIDARITY WITHIN NATO IN ORDER TO BETTER DETER THE EMERGING SOVIET THREAT.

WHEN THE COMMITTEE CONSIDERED THE SECURITY ASSISTANCE BILL, IT ACTUALLY APPROVED 175 MILLION DOLLARS IN MILITARY CREDIT SALES TO TURKEY FOR FISCAL YEAR 1978. HOWEVER, THIS CREDIT AMOUNT WILL NOT BE SUFFICIENT TO COMPLETE THE TURKISH PROCUREMENT OF THE 40 F-4'S WHOSE TRANSFER WAS PREVIOUSLY APPROVED BY THE ADMINISTRATION.

WE BELIEVE THAT THIS CREDIT ARRANGEMENT DOES NOT FULLY ALLOW FOR THE SECURITY OF TURKEY AND, MORE IMPORTANTLY, THE SECURITY OF THE UNITED STATES AND ITS EUROPEAN FRIENDS. OUR DELAY IN PROVIDING A WORKABLE AND LONG-TERM MILITARY AID PROGRAM TO THIS PARTICULAR PART OF THE WORLD HAS ALREADY ALLOWED FOR INCREASED SOVIET INFLUENCE AND HAS JEOPARDIZED

THE DELICATE BALANCE OF POWER IN THE MEDITERRANEAN AND THE NEAR EAST.

THIS PART OF THE WORLD IS A CROSSROAD BETWEEN EUROPE AND ASIA AND HAS ENORMOUS STRATEGIC SIGNIFICANCE TO THE UNITED STATES. THIS REGION, WHICH INCLUDES THE STRATEGIC DARDANELLES, ALLOWS FOR THE PASSAGE OF WARSHIPS BETWEEN THE BLACK AND MEDITERRANEAN SEAS. ALSO, WITH RUSSIA TO THE NORTH, AND IRAQ AND SYRIA TO THE SOUTH, THIS AREA BECOMES UNCLASSIFIED

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A VITAL SECURITY ANCHOR. MOREOVER, THE UNITED STATES HAS DIRECT SECURITY INTERESTS HERE BECAUSE OF ITS BASES WHICH MONITOR SOVIET MISSILE AND AIRCRAFT ACTIVITIES. WE BELIEVE THAT FOR NATIONAL AND REGIONAL SECURITY REASONS, THE ADMINISTRATION SHOULD MORE FULLY EXPLORE THE SALE OF F-4'S TO TURKEY. END TEXT CHRISTOPHER

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